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PROVISION TO DEVELOPING COUNTRY PARTIES OF TECHNICAL AND FINANCIAL SUPPORT

Addendum

PROVISION OF ASSISTANCE FOR ENABLING ACTIVITIES AND NATIONAL COMMUNICATIONS

Note by the interim secretariat and the secretariat of the Global Environment Facility

I. INTRODUCTION

A. Background and Committee mandate

1. At its ninth session, in the context of discussing programme priorities for the financial mechanism, the Committee reiterated the conclusion reached at its eighth session which states that "priority should be given to the funding of agreed full costs (or agreed full incremental costs, as appropriate) incurred by developing country Parties in complying with their obligations under Article 12.1 and other relevant commitments under the Convention. In the initial period, emphasis should be placed on enabling activities undertaken by developing country Parties, such as planning, endogenous capacity building including institutional strengthening, training, research and education, that will facilitate implementation, in accordance with the Convention, of effective response measures" (A/AC.237/55, para. 80).

2. At its tenth session, the Committee dealt further with this issue in its decision on temporary arrangements between the Committee and the GEF (A/AC.237/76, annex I, decision 10/3, para. 1 (b) that was later brought before the GEF Council at its meeting in November 1994.

3. At the same session, the Committee supported the objectives of the Climate Convention cooperation programme (CC:COPE) mentioned in document A/AC.237/75, parts of which were prepared jointly by the interim secretariat of the Convention with the United Nations Development Programme (UNDP), the United Nations Environment Programme (UNEP) and the United Nations Institute for Training and Research (UNITAR). The Committee noted that the CC:COPE concept was intended by its authors to facilitate coordinated and timely assistance to countries for the implementation of enabling activities which have been identified as a priority by the Committee. The Committee requested the Executive Secretary to continue his consultations with the Chief Executive Officer (CEO) of the GEF and with others to explore how proposals corresponding to the objectives in document A/AC.237/75 could be developed for implementation and funding, and to report to its eleventh session on progress achieved and on any difficulties encountered (A/AC.237/76, paras. 100-102).

B. Scope of the note

4. The present note, prepared jointly by the interim secretariat of the Convention and the secretariat of the GEF, describes the manner in which the GEF will make arrangements for funding enabling activities and preparations for the national communications, as well as the way in which the interim secretariat will facilitate this process. The description is considered to be consistent with the requirements of the Convention, decisions taken by the Committee and the provisions of the Instrument for the Establishment of the Restructured Global Environment Facility (hereinafter referred to as "the GEF Instrument"). This note is being transmitted both to the Committee and to the GEF Council as a report on the outcome of consultations between the secretariats.

5. Within the financial mechanism of the Convention, the overall responsibility for the arrangement of funding for these activities lies with the GEF as the interim operating entity. The secretariat of the Convention has a complementary mandate to facilitate this (see Article 8.2 (c) and (e), Article 12.7 and General Assembly resolution 49/120, para. 7). The two secretariats have developed jointly the following arrangements for sharing responsibilities and will continue to consult each other on their respective activities, as appropriate. The arrangements outlined in this note have the following objectives:

(a) To provide information (see section II);

(b) To provide financial support through the financial mechanism (see section III);

(c) To coordinate financial support from the financial mechanism with that from other sources (see section IV);

(d) To exchange information and experience (see section V).

C. Nature of activities to be supported

Enabling activities

6. According to the definition developed by the Committee at its eighth session (A/AC.237/41, para. 84 (iii)) and reiterated at the ninth and tenth sessions, enabling activities comprise a range of planning, capacity building and training activities to facilitate the implementation of the Convention. Enabling activities that could be funded through the financial mechanism would, in the first instance, support the preparation of national communications (which are described in Article 12.1 and which, according to Article 12.5, are to be made within three years of the entry into force of the Convention for each Party) and, in the longer term, support other more general commitments under Article 4.1.

National communications

7. Pursuant to Article 12, the national communications of developing country Parties will include the preparation of inventories of greenhouse gas sources and sinks. The national communications may also include analyses of possible impacts of climate change, descriptions and analyses of existing policies and their possible effects on climate change, analyses of possible response options, including mitigation of and adaptation to climate change, and, according to Article 12.4, proposed projects for financing.

Longer-term capacity building needs

8. In order for most developing countries to be able to undertake the above-mentioned activities on an ongoing basis, institutional and technical capacity will need to be created and/or strengthened, for example, in order to develop and maintain the inventories, and to prepare thorough analyses of response options available to them. At the same time, countries need to create or strengthen institutional capacity in order to deal with these issues on a regular basis. This will include setting up national inter-agency committees on climate change and related technical and policy secretariats, as well as developing the capacity to exchange information at a national level on issues that will support work related to climate change. Finally, the capacity of countries to effectively participate in the Convention process will need to be strengthened and maintained.

II. PROVISION OF INFORMATION

A. Background

9. The original objective of the Climate Convention information exchange programme (CC:INFO), a joint project of the interim secretariat and UNEP, was to assist countries by providing information on the availability of resources for activities relating to climate change. The CC:INFO programme has managed to do that and also to collect, process and disseminate detailed information on current and recently completed activities, as well as on requests from countries for assistance. It has also provided considerable information on the kinds of resources that are available from different organizations. Using this as a starting point, and by regularly updating and expanding its information base, CC:INFO will continue to play a major role in facilitating information exchange. (See also A/AC.237/90/Add.1.)

B. Improving the availability of information

10. It is important to provide information to all Parties on the availability of resources (financial, technical, institutional, informational, and so forth), the terms under which assistance may be provided and the kinds of activities proposed, whether ongoing or recently completed. The CC:INFO programme has already provided information on these issues, and in the future it could play a major role in disseminating information supplied by the GEF and bilateral funding sources on their operational criteria and processes, executing agency arrangements and also on opportunities for benefitting from programmes jointly financed by the GEF and bilateral funding sources.

11. In order to facilitate the work of the financial mechanism, the interim secretariat of the Convention will make available to the secretariat of the GEF relevant information contained in the CC:INFO database, such as that on:

(a) Past and present enabling activities. (This information will include summaries made available via the regular CC:INFO channels, as well as the provision of project documents and substantive reports on the activities concerned, when available);

(b) New requests from countries for enabling activities;

(c) Institutional information from countries, for example, climate change focal points, details of national committees on climate change, dates of signature and ratification of the Convention;

(d) Completed country studies carried out in anticipation of a request for assistance from the GEF.

12. Since CC:INFO is only able to provide information that is as reliable as the inputs that are received, the GEF secretariat will either provide information directly to CC:INFO or request the GEF Implementing Agencies (namely, UNDP, UNEP and the World Bank) to continue supplying information on a regular basis on their climate change activities for incorporation into the CC:INFO information base.

13. The information from the CC:INFO programme will be made available both as a printed package and electronically in order to ensure that updated information is always available when needed. Details of the electronic transfer of data files are now being worked out. In addition, information from the CC:INFO databases is being made available on the World Wide Web server that is being installed on the Internet with the assistance of the UNEP/World Meteorological Organization (WMO) Information Unit on Climate Change (IUCC).

III. FINANCIAL SUPPORT

A. Availability of GEF financing within the financial mechanism

14. In its role as the interim operating entity of the financial mechanism and in accordance with paragraph 6 of the GEF Instrument, the GEF is available to meet the agreed full costs of activities under Article 12.1 of the Convention. At the second meeting of the GEF Council, 1-3 November 1994, it was agreed that US$80 million to US$100 million would be available in 1995 for enabling activities in support of the Convention and the Convention on Biological Diversity.

15. To ensure conformity with the provisions of the Convention, the decisions of the Committee and the provision of the GEF Instrument, the GEF would require that the requesting country be a developing country party.

16. In addition, the proposed programme of country activities must have official endorsement. The recipient of GEF assistance would need to be able to demonstrate to the GEF that the activities so funded would contribute to its national communication under Article 12.1 of the Convention.

B. Scope of financially supported activities

17. The major undertakings in the initial phase would be enabling activities and the preparation of national communications, each of which would include planning and endogenous capacity building (see paragraphs 6 and 7 above). In establishing a programme of activities, the GEF would work closely with the interim secretariat to ensure that the policies, programme priorities and eligibility criteria of the Conference of the Parties (COP) were followed.

C. Operational criteria

18. The GEF will develop operational criteria to ensure that the activities it supports are of good quality, cost-effective and timely. Proposed planning and endogenous capacity-building activities will be reviewed in accordance with such criteria.

19. Required methodologies would be those based on criteria recommended by the COP or otherwise internationally endorsed (for example, methodology on GHG inventories). In other cases, methodologies would be recommended on the basis of "good practice" (see section V below).

20. Appropriate types and amounts of capacity building need to be determined, so that the appropriate level of resources can be allocated. To this end, GEF will develop criteria for the following:

(a) The type and amount of capacity the country needs to prepare a national communication and implement the measures planned;

(b) The manner in which capacity-building activities would be structured to ensure sustainability and to overcome institutional and resource constraints.

21. Each developing country Party has committed itself to making its initial national communication within three years of the Convention entering into force for each Party. Based on the experiences of several of the current bilateral and multilateral programmes, a comprehensive country study takes about 24 months to complete, with another 6 to 12 months required for the development of a national strategy. It would therefore be helpful to make an early start and to manage several studies simultaneously. To help accelerate the delivery of studies, the GEF could:

(a) Implement enabling activities and preparations for national communications on the basis of programmes grouping several identified countries whose needs are similar;

(b) Use several executing agencies after the GEF has developed operational criteria for selecting such agencies;

(c) Help expand the programmes of bilateral agencies by financing the in-country portion of the agreed full costs of activities meeting GEF criteria. The arrangements for doing this would be made through an Implementing Agency in accordance with paragraph 28 of the GEF Instrument.

D. Process

22. Each proposal will be country-driven. Therefore, each proposal (which could be for an entire programme of enabling activities and/or the preparation of the national

communication), must be submitted officially by an eligible recipient country to one of the GEF Implementing Agencies.

23. Several channels are available for carrying out a project. Consistent with paragraph 28 of the GEF Instrument, GEF financing for enabling activities and preparations for national communications could be delivered through one or other of the following three channels:

(a) A GEF project managed directly by an Implementing Agency; or

(b) A country component of a GEF programme of similar activities managed by an executing agency on behalf of an Implementing Agency; or

(c) A country component of a bilateral programme managed by a bilateral agency.

24. A country may request an Implementing Agency to provide assistance for specific enabling activities, while at the same time also requesting to be associated with a particular bilateral programme of technical assistance. In addition, a country may, of course, approach a bilateral agency for support, and that agency could, in turn, make a prior request for GEF co-financing for the in-country costs.

25. The Implementing Agency would review the scope of the proposed activities on the basis of activities listed in their own records and in CC:INFO. The proposing agency would then submit the request for project funding to the GEF secretariat.

26. The GEF Operations Committee (GEFOP), would consider the proposal on the basis of quality and relevance and in the light of priorities. Together with representatives of the three Implementing Agencies and the chairman of STAP, representatives of the Convention secretariat will be invited to attend all relevant GEFOP meetings. GEFOP would check that the project was well prepared and consistent with GEF operational strategy, and ensure that there was no duplication or overlapping with other nationally, bilaterally or multilaterally financed activities regarding communication of information related to implementation as described in Article 12. Aspects covered in recent technical assistance or Implementing Agency country or sectoral work would therefore be ineligible. GEFOP would also ensure that the type and size of such activities were consistent with the needs of the country and other relevant criteria.

27. Following consideration by GEFOP, the CEO of GEF would then recommend a work programme to the GEF Council.

IV. FINANCIAL COORDINATION

28. Pursuant to paragraph 28 of the GEF Instrument, and under the guidance of the Council, the GEF secretariat would be available to coordinate financing among participating

organizations. To this end, the GEF secretariat has already begun preparing procedures for financial coordination among various multilateral and bilateral organizations participating in activities relating to climate change, as follows:

(a) To promote comprehensive coverage while nevertheless avoiding duplication of effort by the GEF and its partners. To promote also the integration of GEF-financed with non GEF-financed enabling activities in each country;

(b) To integrate the activities of the GEF Implementing Agencies into the overall work programmes of the respective institutions, that is, UNDP, UNEP and the World Bank; and

(c) To facilitate co-financing of GEF activities by interested bilateral donors.

A. Promoting comprehensive coverage and avoiding duplication of effort

29. A number of agencies are supporting programmes to develop enabling activities and national communications to the COP. However, until now, these efforts have not provided comprehensive coverage for all eligible recipient Parties, nor are they able to guarantee that the capacities of these countries have been strengthened sufficiently to enable them to provide communications on a continuing basis. Previous programmes need to be reviewed for possible gaps in coverage and future programmes designed to ensure comprehensive coverage while avoiding duplication.

30. To ensure effective in-country complementarity of completed, ongoing or planned enabling activities (financed by the GEF, by its Implementing Agencies in their non-GEF capacities, by other multilateral programmes, and by bilateral programmes), the GEF would draw upon CC:INFO, on reports of completed activities and on plans of its Implementing Agencies, as well as on other sources of information, as necessary, and determine:

(a) What studies have already been done and how much capacity the country already has in the relevant aspects;

(b) What GEF and non-GEF financed studies are already under way or planned, and how much capacity is currently being built or likely to be built as a result of ongoing activities financed by GEF and non-GEF sources.

B. Integrating climate change and development activities in the work programmes of UNDP, UNEP and the World Bank

31. One of the general principles of cooperation among the Implementing Agencies is that GEF activities will need to be coordinated with appropriate national policies and strategies as well as with the development activities financed by the host institutions. Each Implementing Agency also strives to promote measures to achieve global environmental benefits within the

context of its own work programme. All three Agencies have had experience in the pilot phase of the GEF with implementing enabling activities. In some cases, the Agencies have carried out relevant work using non-GEF resources, such as in the National Environment Action Plans, and some of the economic and sectoral work of the World Bank and the country studies coordinated by UNEP.

32. In order to achieve the integration of climate change measures and development activities, the Implementing Agencies would programme their GEF enabling activities and preparations for national communications with other relevant assistance provided by their organizations, showing their relationships and synergies.

C. Facilitating co-financing

33. Co-financing has the advantage of using bilateral or other sources instead of GEF core resources. Accordingly, GEF will facilitate co-financing with one of the three delivery channels of GEF support mentioned in paragraph 23 above. Bilateral co-financing would be welcome from any country.

34. In the case of a GEF project managed directly by an Implementing Agency or a country component of a GEF programme of similar activities managed by an executing agency on behalf of an Implementing Agency, the Implementing Agency would, wherever possible and appropriate, seek co-financing for activities managed by it or its executing agencies, in accordance with its own rules and procedures.

35. In the case of a country component of a bilateral programme managed by a bilateral agency, the GEF would designate an Implementing Agency through which to channel its co-financing. Finance for expenditures in the recipient country would be provided by GEF through its designated Implementing Agency; finance for the technical support provided by the bilateral agency and its nominated suppliers would be provided by a donor Government through its bilateral agency. Each participating bilateral agency (including any executing agency acting on its behalf) and the designated GEF Implementing Agency would formalize its cooperation in a memorandum of understanding. The memorandum would cover the following matters: the countries to be covered in the co-financed programme, the nature and delivery of services to be provided within each of the identified countries; the coordination of funding; the coordination of in-country activities financed by the GEF with bilaterally provided technical support; the division of institutional responsibilities; and the overall integration of the identified country-driven activities. The section of the memorandum of understanding covering substantive matters would be based largely on the work programme developed by the bilateral agency concerned but amended where necessary to conform with GEF criteria, norms and processes.

V. CONSULTATIVE MECHANISM FOR THE EXCHANGE OF INFORMATION AND EXPERIENCE IN IMPLEMENTING ENABLING ACTIVITIES

36. In order to assist countries in formulating new proposals and in improving the running of both current and planned enabling activities, as well as to assist them in promoting good practice in project implementation, the Convention secretariat will convene an informal consultative mechanism. This mechanism will bring together persons from recipient countries who are involved in the day-to-day running of enabling activities with representatives of organizations which implement country activities.

37. Through this group, the Convention secretariat will organize reviews of experience in the provision of enabling activities financed by the GEF and other multilateral or bilateral programmes. The Convention secretariat will invite members of the informal consultative mechanism to review the operational experiences of their technical agencies and to share those experiences with other agencies and national organizations. It is expected that such reviews will be held at least once a year and that they will describe the coverage of the activities and identify good analytical and institutional practice.

38. This informal consultative mechanism will include representatives of key multilateral, bilateral and other organizations that implement enabling activities, including the GEF and its Implementing Agencies, other relevant United Nations bodies, and a number of people from developing countries with relevant experience. The resulting information and reviews of methods used would be made available to all implementing bodies. (The Convention secretariat has already contacted most of these organizations and people.)

39. In particular, based on information provided by CC:INFO, and on the practical experience of its members, the informal consultative mechanism will:

(a) Enable countries to develop better project proposals through sharing their experiences with past and present projects;

(b) Facilitate the exchange of technical documents. (This will include the exchange of project documents and substantive reports on past and present projects. New projects will thus be developed on the basis of past experiences);

(c) Allow a review of methods for evaluating the success of previous activities containing "enabling" elements and for planning future activities in order to improve the quality of new proposals;

(d) Facilitate the sharing of technical experiences that would be helpful in preparing further assistance.

40. The informal consultative mechanism will make major use of electronic and other conventional means of communication to achieve its objectives. Ad hoc meetings may be

necessary in order to share experience on specific technical issues. In addition, a minimum of one annual meeting of the whole group will be needed.